

## UPDATED INFORMATIVE DIGEST

Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) and Assembly Bill (AB) 106 (Chapter 32, Statutes of 2011) amended the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) Program. The CalWORKs WTW program is the employment and training component of CalWORKs, California's version of the federal Temporary Assistance for Needy Families (TANF) Program. These proposed regulations implement changes to the CalWORKs WTW program effected in SB 72 and AB 106.

Federal welfare reform enacted the TANF program through the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, limiting federally funded cash aid to a family with an adult to a total of five years. The intent of the WTW program is to provide employment and training services to the maximum possible number of the adult CalWORKs population to aid them in achieving economic self-sufficiency within this time frame.

Subsidized employment is a WTW activity, and one category of subsidized employment is provided through the AB 98 subsidized employment program. AB 98 was originally implemented on January 1, 2008 and then suspended in 2009 due to the availability of subsidized employment funding from the TANF Emergency Contingency Fund (ECF) under the American Recovery and Reinvestment Act of 2009. At the conclusion of the TANF ECF program, AB 98 subsidized employment was re-implemented effective October 1, 2010. Effective March 24, 2011, SB 72 expanded the AB 98 subsidized employment program in order to encourage counties to establish or expand AB 98 subsidized employment programs to assist CalWORKs families with the goal of self-sufficiency.

The Legislature designed the AB 98 subsidized employment program to be cost neutral to the state budget by redirecting existing resources without increasing funding. The cost neutrality of the program is intended to be achieved by offsetting the cost of the state's contribution toward AB 98 wage subsidies, with grant savings achieved as a result of the subsidized employment income.

Following the implementation of the SB 72 changes to AB 98 subsidized employment, the eligible populations for the AB 98 subsidized employment program are current CalWORKs recipients, individuals who cure their sanctions through participation in the AB 98 program, and individuals who have exceeded CalWORKs time limits and receive Safety Net benefits for their eligible children. Current recipients and Safety Net individuals may continue in an AB 98 program if their families become ineligible for CalWORKs due to AB 98 income. Safety Net participants in the AB 98 program can continue to participate in AB 98 subsidized employment instead of participating in community service to receive job retention services.

AB 98 wage subsidies are limited to six months for each participant upon entry into the AB 98 program. The county may determine a longer subsidy will benefit the employer and the participant, in which case AB 98 wage subsidies can be available up to a total of 12 months. Individuals who apply for CalWORKs after leaving aid due to AB 98 income are considered to be current recipients for determining CalWORKs financial eligibility and work requirements if the individual applies within three calendar months of the subsidized employment ending.

AB 106 changes the 60-month time limit for CalWORKs cash aid to 48 months. Additionally, AB 106 expands WTW job retention services for CalWORKs individuals who exceed the 48-month time limit and are receiving Safety Net cash-aid benefits for their eligible children. Safety net individuals may enter or continue participation in AB 98 subsidized employment instead of participating in community service.

Additionally, the proposed regulations will make other technical, conforming changes, such as adding and renumbering of sections and amending cross references as necessary.

This regulatory action will benefit the health and welfare of California residents by providing increased subsidized employment opportunities for CalWORKs clients. Worker safety and the state's environment will not be impacted by these amended regulations. This regulatory action does not make changes to regulations involving worker safety or the state's environment.

The Department finds that these proposed regulations are compatible and consistent with the intent of the Legislature in adopting SB 72 and AB 106, as well as with existing state regulations.

These regulations were considered at the public hearing held on August 29, 2012 in Sacramento, California. No written or oral testimony was received during the 45-day comment period from July 13 to 5:00 p.m. August 29, 2012.

CDSS did not renote these regulations because no changes requiring renote were made to the regulations following the public hearing.